

SENATOR NEWELL: John, if you need some of my time.... All right. Members of the body, let me try to give you a little understanding of the other bill that we're talking about because it's very important that the body understand both concepts and so forth. I talked about the three major areas of disagreement before. Let me explain to you some of the examples, I want to give you some examples of how unfair our present homestead exemption is. Senator Keyes, are you interested in examples of how unfair the present bill is? Obviously not. Senator Keyes is involved in deep discussion back there.

SENATOR SAVAGE: Could we have a little order on the floor please so that people can hear. Senator Duis, I recognize you. For what purpose do you rise?

SENATOR DUIS: I have a point of order here. Senator Newell, I think we're getting off of 407 here. The discussion is on 407.

SENATOR NEWELL: Senator Duis, I can assure you that I'm talking about 407. I can relate it, I can tie it together if you'd like.

SENATOR DUIS: Would you please?

SENATOR NEWELL: It only takes a few seconds and I will. To speak about Senator Labedz proposal to amend her bill, the amendment that is being proposed now would go back to the present situation of exemptions. I'm going to oppose that present situation of providing exemptions, and I'm going to show four examples of how it basically is unfair and inherently wrong. It creates inequalities as opposed to equalities. Let me give an example of four different homes, four different families, with income sources from various, different places. Each one of them has the same income, totally, but the difference is that in some cases they get it from taxable income, and in some places they get it from nontaxable income. Let's take family A. Family A gets \$6,000 social security. They also work part time so they get \$1500 in wages. They get \$500 in interest, and they have no taxable pensions. Their adjusted gross income is \$2,000. The percentage of taxes they pay, under LB 407, would be 100 percent. Based on their \$25,000 home they'd pay 100 percent. Social security for family B would be none. Wages are \$15,000...or \$1500, excuse me, bank interest is \$500, taxable pension is \$600, and their federally adjusted gross income is \$8,000. They get no tax advantage, or no exemption under homestead exemption. Family A got 100 percent. Family B gets none. The same income, the same identical figures, only the sources are different. Now we'll go to Family C. Family C gets \$2,000 from social security. They get \$1500 from wages. All three families get \$1500 from wages. Their bank interest, just like the other three families, is \$500 in bank interest. Their taxable pension is \$4,000. So they have the federally adjusted gross income of \$6,000. They get 100 percent. So we have people with the same incomes, one getting 100 percent, the other getting nothing, absolutely zero, and the last family getting 100 percent. The fourth example, they're getting \$1,000 in social security, \$1500 in wages, \$500 in bank interest, taxable pension is \$4800, for a federally adjusted gross income of \$680. Under Senator Labedz proposal they would get 60 percent. You see the situation is very similar. The families have exactly the same income, but one family gets 100 percent exemption on their \$25,000 home, the